

FISCAL NOTE

HB 2291 - SB 2469

February 22, 2000

SUMMARY OF BILL: Requires an insurer or a health maintenance organization to participate in TennCare in order to be eligible to participate in the insurance program for state employees or to be authorized to be a workers' compensation insurance carrier in this state.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

The impact of the bill will depend on the number of insurance companies who choose not to bid on the state's employee health insurance plans that would have bid in the absence of the bill and the extent of savings that might accrue to the state had those providers been allowed to bid. The amount of such increase cannot be determined but based on the assumption that the restriction placed on the market will reduce the number of competitive bids for state insurance contracts, such cost increase can be reasonably estimated to exceed \$100,000. Currently the state has a health maintenance organization plan, a point of service plan and a preferred provider plan available for it's employees.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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